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Order 2002-3-31
Served: April 3, 2002



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 29th day of March, 2002

Essential Air Service at

SALINA, KANSAS

under 49 U.S.C. 41731 *et seq.*

Docket OST-2002-11376 - 2

**ORDER PROHIBITING TERMINATION OF SERVICE AND
REQUESTING PROPOSALS**

Summary

By this order the Department is (a) prohibiting Air Midwest, Inc., d/b/a US Airways Express (Air Midwest), from terminating its unsubsidized service at Salina, Kansas; (b) requiring the carrier to maintain service between the community and Kansas City, Missouri, for an initial 30-day period following the end of the notice period; and (c) requesting proposals from carriers interested in providing replacement service at the community. (See Appendix A for an area map.)

Background

Salina is guaranteed to receive at least a minimum level of air service under the Essential Air Service (EAS) program by virtue of the fact that it received service from a certificated carrier on October 24, 1978, the date the Airline Deregulation Act of 1978 was signed into law. (See 49 U.S.C. 41731-41742 for the EAS program's governing statutes.) On January 23, 2002, Air Midwest filed a 90-day notice of its intent to suspend its unsubsidized scheduled air service at Salina, effective on April 24, 2002. Air Midwest is the only carrier serving the Salina community. Air Midwest's service consists of two

daily nonstop and one daily one-stop round trips to Kansas City International Airport. Air Midwest uses 19-seat, Beech 1900-D turboprop aircraft to serve the community.

The community's essential air service (EAS) determination, last reviewed by the Civil Aeronautics Board in 1984 (Order 84-8-84), calls for a minimum of two round trips each weekday and two round trips each weekend period to Kansas City (nonstop or one-stop). Sufficient capacity must be provided to accommodate 29 enplanements each service day.

While the number of passengers has been declining, during calendar year 2000, more than 9,700 passengers enplaned at the Salina Municipal Airport, or an average of 26.6 passengers per day based on a 365-day service year.

Request for Proposals

We request that any carriers interested in providing essential air service at Salina, with or without subsidy, file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for two or three round trips per day to Kansas City with 15-seat or larger, pressurized aircraft. We will also entertain proposals to serve other hubs that provide access to the national air transportation system in order to give the Department and the communities as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the community's views on any service options we receive before making a long-term carrier selection decision. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix B.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.¹

¹ Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

Community and State Comments

The Salina community and the State of Kansas are welcome to submit comments on the proposal or proposals at any time.² Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.³

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁴ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

² Civic parties should file an original and five copies of their comments in Docket OST-2002-11348. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

³ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁴ The regulations applicable to these areas are: (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 - Nondiscrimination on the basis of disability in air travel; and (3) 49 CFR Part 29 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

Requirement to Maintain Service

Air Midwest is the only carrier providing scheduled air service at Salina. The community is guaranteed to receive service under the EAS program, and 49 U.S.C. 41734 requires that we prohibit Air Midwest from terminating service for an initial 30-day period beyond the end of its 90-day notice period, through May 24, 2002.⁵ We will require Air Midwest to continue to provide three nonstop or one-stop round trips on weekdays and in total over the weekend in the Salina-Kansas City market while we process the carrier replacement case.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Salina, Kansas, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Salina, Kansas, Docket OST-2002-11376;"⁶
2. The Department prohibits Air Midwest, Inc., d/b/a US Airways Express, from terminating service at Salina, Kansas, at the end of its 90-day notice period, and requires it to maintain at least three nonstop or one-stop round trips each weekday and weekend to Kansas City, Missouri, through April 24, 2002, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;
3. The Department directs Air Midwest, Inc., d/b/a US Airways Express, to retain all books, records, and other source and summary documents to support subsidy claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

⁵ In accordance with 49 U.S.C. 41734(c), we will extend Air Midwest's service obligation for successive 30-day periods as necessary until replacement service actually begins.

⁶ After serving a copy of its proposal on the civic officials of Salina and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

4. This docket will remain open until further order of the Department; and
5. We will serve copies of this order on the Mayor and airport manager of Salina, the Governor of Kansas, the Kansas Department of Transportation, Aviation Division, Air Midwest, Inc., and the carriers listed in Appendix C.

By:

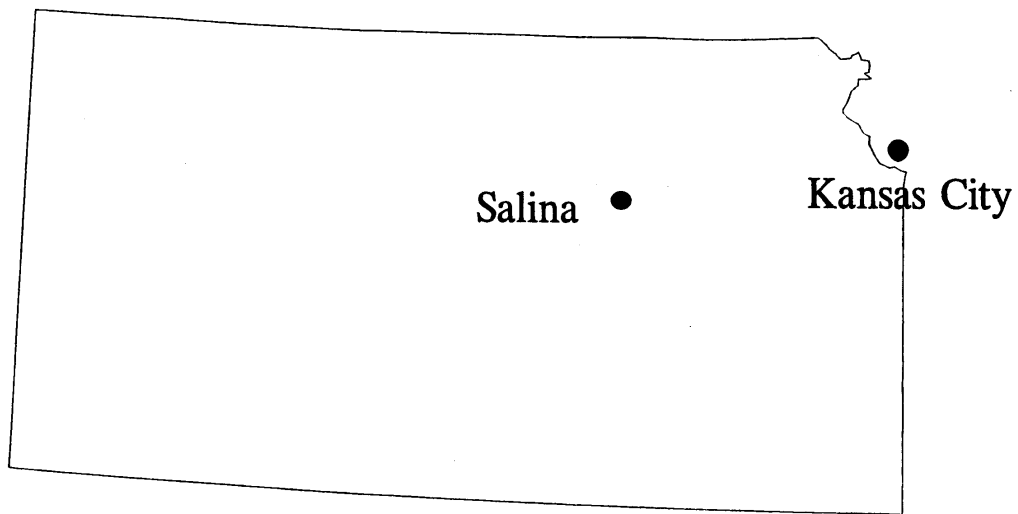
READ C. VAN DE WATER
Assistant Secretary for Aviation
and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at

<http://dms.dot.gov>

AREA MAP



SLN - MCI 161 miles

Enplanements At Salina, Kansas

		SLN-MCI	SLN-DEN ¹
1998	1Q	1,643	
	2Q	1,791	1,108
	3Q	1,749	1,654
	4Q	<u>1,455</u>	1,570
		6,638	
1999	1Q	1,233	1,380
	2Q	1,645	1,915
	3Q	1,485	2,007
	4Q	<u>1,514</u>	<u>1,654</u>
		5,877	6,956
2000	1Q	1,183	1,286
	2Q	1,427	1,391
	3Q	1,107	1,120
	4Q	<u>1,061</u>	<u>1,135</u>
		4,778	4,932
2001	1Q	628	845
	2Q	756	1,150
YE 6/30/01		3,352	4,250

¹ Great Lakes Aviation provided service in the Salina-Denver market until October 6, 2001.

SERVICE LIST FOR THE STATE OF KANSAS

Amerijet International, Inc.
Aspen Airways, Inc.
Blue Ridge Airlines
Corporate Airlines, Inc.
Delta Connection
Exec Express II, Inc.
Executive Airlines, Inc.
Flagship Airlines Inc.
Heartland Aviation, Inc.
Lone Star Airlines, Inc.
Mesa Airlines, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest Airlink

Renown Aviation, Inc.
Trans States Airlines, Inc.
Westward Airways, Inc.

Louis Andrews
Ken Bannon
Doug Franklin
E.B. Freeman
Douglas Gumula
Ben Harrison
A. Edward Jenner
Keith Kahle
William Kostel
Lee Mason
John McFarlane
Robert Wigmore
